



LEONARD E. LINDQUIST
 NORMAN L. NEWHALL
 LAURESS V. ACKMAN
 GERALD E. MAGNUSON
 EDWARD M. GLENNON
 MELVIN I. ORENSTEIN
 ISRAEL E. KRAWETZ
 EUGENE KEATING
 JAMES P. MARTINEAU
 RICHARD J. FITZGERALD
 PHILIP J. ORTHUN
 EDWARD J. PARKER
 JOHN A. FORREST
 WILLIAM E. FOX
 JERROLD F. BERGFALK
 WILLIAM T. DOLAN
 JOHN H. STROTHMAN
 DAVID G. NEWHALL
 KURTIS A. GREENLEY
 ROBERT V. ATMORE
 HOWARD J. KAUFFMAN
 JOHN B. WINSTON
 LAURANCE R. WALDOCH
 THOMAS H. GARRETT III
 DARYLE L. UPHOFF
 DAVID J. DAVENPORT

LINDQUIST & VENNUM

4200 IDS CENTER • 80 SOUTH 8TH STREET

MINNEAPOLIS, MINNESOTA 55402

TELEPHONE (612) 371-3211

TELEX 29 0044

CABLE ADDRESS: LINLAW

WAYZATA OFFICE
 740 EAST LAKE STREET
 WAYZATA, MINNESOTA 55391

March 26, 1981

MARK R. JOHNSON
 RICHARD A. PRIMUTH
 JEFFREY R. SCHMIDT
 KRISTINE STROM ERICKSON
 TIMOTHY H. BUTLER
 ROBERT G. MITCHELL, JR.
 J. MICHAEL DADY
 J. KEVIN COSTLEY
 ROBERT J. HARTMAN
 JOSEPH G. KOHLER
 PAUL H. TIETZ
 JACK A. ARNOLD
 RICHARD D. MCNEIL
 ALAN C. PAGE
 JAMES P. MCCARTHY
 STEVEN J. JOHNSON
 LYNN M. ANDERSON
 TERI L. HACKER
 DAVID A. ORENSTEIN
 THOMAS E. GLENNON

OF COUNSEL
 THOMAS VENNUM
 DENNIS M. MATHISEN
 DAVID M. LEBEDOFF

Mr. John McCarthy
 Minnesota Supreme Court
 Minnesota State Capitol
 St. Paul, MN 55155

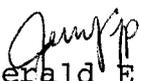
Dear John:

I enclose a Petition of the Lawyers Professional Responsibility Board for an Amendment to the Code of Professional Responsibility. Included are the original executed Petition and nine copies which may be circulated to the members of the Court.

Normally matters such as this are forwarded to you by Mike Hoover, the Administrative Director. We have a somewhat unusual situation here because the requested Amendment may have impact on some pending disciplinary proceedings now before the Court. Under the circumstances, the Administrative Director does not feel that he is in a position to process the enclosed Petition.

If you or any members of the Court have any questions about this, I will be happy to respond. Further, should the Court determine to set a hearing with respect to the enclosure, I should be notified so that the Lawyers Professional Responsibility Board can be represented appropriately at the hearing.

Sincerely,


 Gerald E. Magnuson

GEM/jp
 cc: The Honorable Robert J. Sheran
 The Honorable James C. Otis
 Enclosure
 Mr. Michael J. Hoover

STATE OF MINNESOTA

IN SUPREME COURT

FILE NO. 46994

In the Matter of the Petition for
Amendment of Canon 5, Minnesota
Code of Professional Responsibility

PETITION

The Lawyers Professional Responsibility Board hereby petitions the Court to amend DR 5-103(B), Minnesota Code of Professional Responsibility, as follows:

DR 5-103. AVOIDING ACQUISITION OF INTEREST
IN LITIGATION

* * * * *

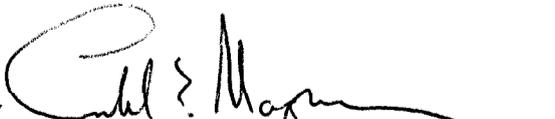
- B) While representing a client in connection with contemplated or pending litigation, a lawyer shall not advance or guarantee financial assistance to his client, except: ~~that~~ a
- (1) A lawyer may advance or guarantee the expenses of litigation, including court costs, expenses of investigation, expenses of medical examination, and costs of obtaining and presenting evidence, provided the client remains ultimately liable for ~~such~~ the expenses.
 - (2) A lawyer may guarantee a loan reasonably needed to enable the client to withstand delay in litigation that would otherwise put substantial pressure on the client to settle a case because of financial hardship rather than on the merits, provided the client remains ultimately liable for repayment of the loan.

Dated this 26th day of March, 1981.

Respectfully submitted,

LAWYERS PROFESSIONAL
RESPONSIBILITY BOARD

By


Gerald E. Magnuson, Chairman